

A Great Personal Savings Program for Employees

Supplemental Retirement Plan Offers Many Advantages

SDRS and Social Security benefits are designed to provide retirees with dependable, lifetime retirement income. However, many retirees will need more than just their lifetime income sources to cover additional expenses incurred during retirement. These can include activities such as travel and hobbies, emergencies like home and auto repairs, and other financial uncertainties surrounding retirement including the rising cost of healthcare and long-term care. Personal savings programs, such as the Supplemental Retirement Plan (SRP), help bridge financial gaps to provide more financial security during retirement.

Why Employees Should Save With SRP

The SRP offers tax-deferred savings. Like SDRS, SRP contributions are deducted from an employee's pay before federal withholding taxes are calculated, giving the employee the advantage of having higher take-home pay than if contributions were made on an after-tax basis. As with SDRS, SRP contributions and interest earnings become taxable when they are withdrawn, but usually at a lower tax rate if withdrawn during retirement.

With SRP, employees have the opportunity to direct their investments. The South Dakota Investment Council has carefully researched and selected a variety of investment options to suit participants' differing risk tolerances to help them achieve their retirement financial needs and goals.

New Alternatives

With legislation passed during the 2012 Legislative session, the SRP will soon be able to offer designated Roth accounts. Contributions to these accounts are made on an after-tax basis and qualified distributions, including interest earnings, can be received tax-free. These accounts will provide another great retirement savings alternative for some employees. More information regarding the designated Roth accounts in the SRP will be communicated to you in the near future.

Employees Who Save With SRP Really Do Save

With a new contract being implemented on July 1, 2012, SRP participants will pay an annual asset fee of only 0.21 percent (\$0.21 per \$100), approximately 20 percent lower than the current fee structure. Lower fees mean more money available in the participant's account to grow tax-deferred!

Joining SRP Made Easy

Enrollment in the SRP has been streamlined. The employee needs only to complete the EZ Enrollment Participation Agreement to begin contributing through payroll deduction. The employee can elect how much to contribute, within IRS limits and with a minimum contribution set at \$25 per month. An employee can start and stop contributions at any time and may select any number of investment options. For membership assistance, SRP has local representatives located at the SDRS office in Pierre.

Help Your Employees Save More for Retirement

The Automatic Enrollment feature of the SRP started in July 2009 and gives public employers the opportunity to have their new hires enrolled in the SRP automatically. Many SDRS participating employers have added this feature to their benefit structure as an initial step to encourage personal savings for their employees. For them, the Automatic Enrollment feature has been positively accepted by their employees, resulting in an overall 91.6 percent employee acceptance ratio since the program was initiated.

If you have questions regarding any feature of the SRP or would like additional information on adding the Automatic Enrollment feature to your employee benefits, contact the SDRS-SRP office in Pierre at 605-224-2230.



SDRS to Offer New Program—*Purses to Portfolios*

Women are an economic force. However, while women are busy with their careers, families, household obligations, and other important matters, attention to their financial future may end up taking a backseat.

With over 60 percent of the current contributing members of the South Dakota Retirement System being female, SDRS recognized the need for a comprehensive financial planning program to help improve retirement readiness for our largest membership group.

Designed and presented by the women of the SDRS Benefit/Member Services department, our new workshop—*Purses to Portfolios*—addresses many of the financial concerns and issues women encounter during their careers and into retirement and empowers them to get a handle on their finances.

Purses to Portfolios will be added to the 2013 SDRS travel schedule. However, the workshop may be available for employer special requests as early as this fall and as SDRS' travel schedule permits.

Fast and Convenient Access

SDRS Forms Available Online

To make accessing SDRS forms more convenient for our authorized agents, the most commonly used SDRS forms, such as Form E-1, Application for SDRS Enrollment, Form E-2, Notice of Enrollment Change, Form E-5, Beneficiary Designation, and Form B-1, Termination of Contributory Service, are available on our website: www.sdrs.sd.gov. The forms link is located under the Employers section on our home page. Here you have the ability to print the most current versions of the forms you need. You can print a supply to keep on hand or simply print as needed.

Having our forms available online also makes it easier for our membership to print necessary applications for receiving retirement benefits (Form B-2, Applying for SDRS Retirement Benefits) and refunds (Form B-4, Applying for SDRS Refund Benefit). Annuitants can also access Form B-6, Authorization of Direct Deposit should they need to change the bank or account in which their benefit check is deposited. If you have a terminating member who is planning to either start a retirement benefit or take a refund, it is advisable to have the member contact the SDRS office to receive counseling from our representatives.

While our forms are available online, you may still contact the SDRS office to request a supply be mailed to you by calling 1-888-605-SDRS (7377) or emailing SDRSweblink@state.sd.us.

The image shows a stack of South Dakota Retirement System (SDRS) forms. The top form is Form B-4, 'Applying for an SDRS Refund Benefit'. Below it is Form B-2, 'Applying for SDRS Retirement Benefits'. The third form is Form E-5, 'Beneficiary Designation Form'. The fourth form is Form B-1, 'Termination of Contributory Service'. The bottom form is Form E-1, 'Application for SDRS Enrollment'. Each form features the SDRS logo and contact information for the South Dakota Retirement System, located at PO Box 1098, Pierre, South Dakota 57501-1098. The forms are presented in a layered fashion, showing the top of each document.

Marital Status Changes

Throughout a career, a member may experience changes in marital status. Be it a marriage, a divorce, or the passing of a spouse, these are all life changing events that may affect the member's SDRS benefits now and into the future.

Any time a member has a change in marital status, it is important to notify SDRS as soon as possible. This can be accomplished by having the member complete Form E-2, Notice of Enrollment Change. There is also a section on this form that you may need to complete if the member has a name change. The completed E-2, along with any and all corresponding legal documentation, such as a photocopy of the marriage certificate, divorce decree, or death certificate, should be submitted to SDRS to assure proper payment of benefits.

It is also recommended that any time members have marital status changes they update their beneficiaries using Form E-5, Beneficiary Designation. Upon receipt of any forms, SDRS updates the member's record promptly to ensure it properly reflects the member's status and wishes.



SDRS forms can be found online at:
www.sdrs.sd.gov

Timely Receipt of Accurate Forms Makes For Excellent Service

Member Terminations and Leave Payouts

When a member terminates employment, Form B-1, Termination of Contributory Service needs to be completed. The B-1 provides SDRS with vital information regarding the member's termination, including the type of termination, the termination date, when final pay will be received by the member, and when final contributions will be reported to SDRS. Accuracy and timely receipt of the B-1 following a termination helps SDRS to provide prompt payment to members who are retiring or refunding.

It is also important to note that when a member elects to receive any sick and vacation leave payments at termination as a lump-sum, SDRS contributions should not be deducted from the member's pay. However, if a member wishes to remain on payroll by stringing out leave balances, then contributions should

be deducted from the member's pay and reported to SDRS. The B-1 should accurately reflect when the member's final contributions will be reported to SDRS.



SDRS INDIVIDUAL RETIREMENT COUNSELING SCHEDULE

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS	SESSION TIMES AVAILABLE
26 Jun 2012	Minnehaha	Sioux Falls, Hilton Garden Inn	5300 S Grand Circle	2:00—8:00 PM
27 Jun 2012	Minnehaha	Sioux Falls, Hilton Garden Inn	5300 S Grand Circle	8:00 AM—8:00 PM
03 Jul 2012	Beadle, Sanborn	Huron, Crossroads	100 4th St	1:00—8:00 PM
24 Jul 2012	Clark, Codington, Hamlin	Watertown, Event Center	1901 9th Ave SW	2:00—8:00 PM
25 Jul 2012	Clark, Codington, Hamlin	Watertown, Event Center	1901 9th Ave SW	8:00 AM—8:00 PM
31 Jul 2012	Brown, Edmunds, McPherson	Aberdeen, Ramada	2727 6th Ave SE	2:00—8:00 PM
01 Aug 2012	Brown, Edmunds, McPherson	Aberdeen, Ramada	2727 6th Ave SE	8:00 AM—8:00 PM
21 Aug 2012	Spink	Redfield, Senior Center	728 Main St	2:00—8:00 PM
28 Aug 2012	Brookings	Brookings, Days Inn Convention Center	2500 E 6th St	2:00—8:00 PM
29 Aug 2012	Brookings	Brookings, Days Inn Convention Center	2500 E 6th St	8:00 AM—8:00 PM
04 Sep 2012	Bennett, Haakon, Jackson, Jones	Kadoka, Fire Hall	102 Main St	2:00—8:00 PM
18 Sep 2012	Clay	Vermillion, Holiday Inn Express	1200 N Dakota Ave	2:00—8:00 PM
19 Sep 2012	Clay	Vermillion, Holiday Inn Express	1200 N Dakota Ave	8:00 AM—8:00 PM
25 Sept 2012	McCook, Turner	Parker, Community Building	299 N Main	2:00—8:00 PM
02 Oct 2012	Yankton	Yankton, Kelly Inn	1607 E Highway 50	2:00—8:00 PM
03 Oct 2012	Yankton	Yankton, Kelly Inn	1607 E Highway 50	8:00 AM—8:00 PM
23 Oct 2012	Butte, Harding	Belle Fourche, Community Center	1111 National St	2:00—8:00 PM
30 Oct 2012	Union	Elk Point, Courthouse Community Room	209 E Main	2:00—8:00 PM
20 Nov 2012	Campbell, Dewey, Walworth	Mobridge, Wrangler Inn	820 W Grand Crossing	2:00—8:00 PM
27 Nov 2012	Kingsbury, Lake, Miner	Madison, Karl Mundt Library	8th and Egan	1:00—8:00 PM
11 Dec 2012	Lawrence	Spearfish, Holiday Inn	I-90 Exit 14	2:00—8:00 PM
12 Dec 2012	Lawrence	Spearfish, Holiday Inn	I-90 Exit 14	8:00 AM—8:00 PM

SDRS RIM WORKSHOP AND REGIONAL SEMINAR SCHEDULE

SCHEDULE DATE	WORKSHOP/SEMINAR	LOCATION	ADDRESS	WORKSHOP/SEMINAR TIME
10 Jul 2012	Workshop	Sioux Falls, Hilton Garden Inn	5300 S Grand Circle	4:00—7:30 PM
17 Jul 2012	Seminar	Aberdeen, Ramada	2727 6th Ave SE	6:00—8:00 PM
07 Aug 2012	Seminar	Yankton, Kelly Inn	1607 E Highway 50	6:00—8:00 PM
14 Aug 2012	Workshop	Mitchell, Highland Conference Center	2000 Highland Way	4:00—7:30 PM
11 Sep 2012	Workshop	Rapid City, Rushmore Plaza Holiday Inn	505 N 5th St	4:00—7:30 PM
09 Oct 2012	Workshop	Spearfish, Holiday Inn	I-90 Exit 14	4:00 – 7:30 PM
16 Oct 2012	Seminar	Brookings, Swiftel Center	824 32nd Ave	6:00 – 8:00 PM
07 Nov 2012	Seminar	Mitchell, Highland Conference Center	2000 Highland Way	6:00—8:00 PM
13 Nov 2012	Workshop	Pierre, Kings Inn	110 E Sioux Ave	4:00—7:30 PM
04 Dec 2012	Seminar	Spearfish, Holiday Inn	I-90 Exit 14	6:00—8:00 PM

UpDate is produced to communicate the plan provisions, changes in law, and issues of interest to authorized agents of the South Dakota Retirement System. It is published with funds provided through the contributions of teachers, school boards, state government, state employees, county commissions, county employees, municipal governments, municipal employees, and other local units and employees. Printed on recycled paper.